

DESERT DISCOVERY CENTER

BOND TASK FORCE PRESENTATION - 11/7/2012

BACKGROUND

- December 13, 2010 – DDC Phase III Committee was established by City Council.
- The committee met 17 times between May, 2011 and February, 2012.
- A series of guest speakers were invited to presented relevant information to the committee.
- City Council accepted recommendations at their April 3rd, 2012 meeting

COMMITTEE KEY FINDINGS

- Strong Support for the DDC Project.
- DDC Success Depends Upon a Highly Qualified Operator.
- Timing for Project Funding is Critical.
- 2012 Was Not the Right Time for Fundraising.
- City Should Continue to Support the DDC Project by:
 - Issuing an RFP to select an independent operator,
 - Monitoring financial conditions yearly,
 - Hold a Bond election when appropriate.

COUNCIL DIRECTION

1. Appropriate Management Model

- Independent 501 (c) (3) organization.
 - Sole purpose is to operate the DDC.

2. A Viable Funding Program for Capital & Operating Costs.

- Public financing through a bond not to exceed \$50 million or 2/3 of total project costs.
 - Private financing to cover 1/3 of total project costs including additional capital, operating and start-up costs
 - City of Scottsdale to be responsible for major building and equipment maintenance and grounds outside of the DDC boundary including the parking lot.
 - DDC operator to be responsible for all operating costs.
 - Fundraising will be required by the operator on a continuing basis.
- Do not pursue a bond in 2012.
- Re-evaluate economic conditions annually until public and private funding goals can be aligned and achieved.

COUNCIL DIRECTION

3. Validation or Refinements Of The DDC Phase II Study.

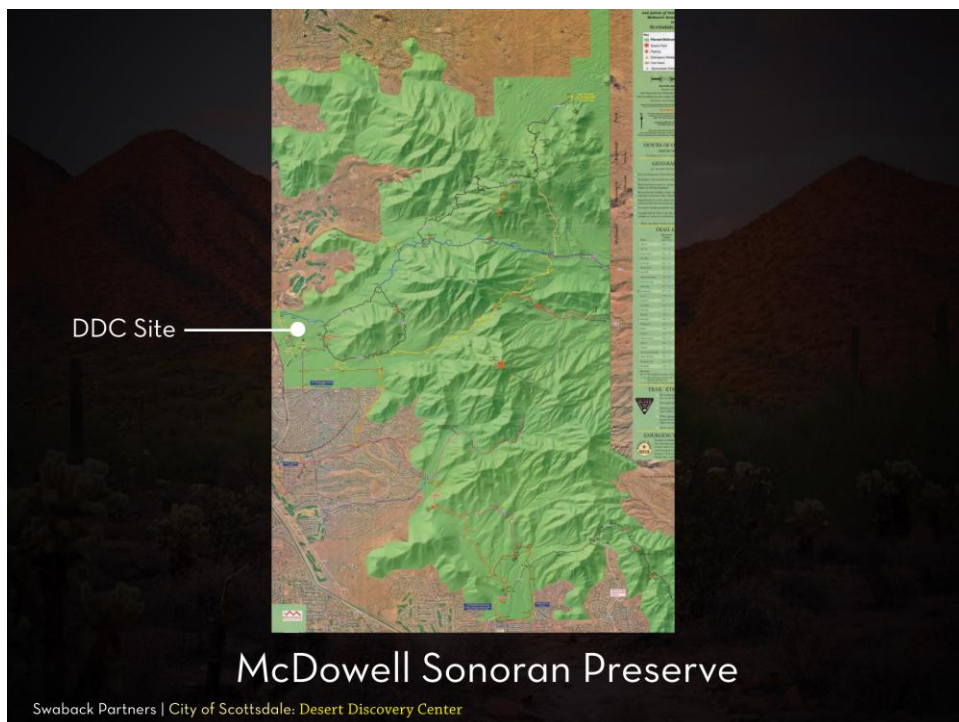
- Business Plan – Affirm as amended with the lower attendance and operating budget.
 - Fund raising will be an essential component of the Business Plan.
- Location – Affirm location northwest of the Gateway Trailhead.
- Site Plan Layout – Affirm the low scale pavilion building concept and the inclusion of the restaurant and retail components.
- Exhibit Themes – Affirm with focus on supporting the educational mission of the DDC.

4. Appropriate Land Use and Zoning Option for the DDC Site and Proposed Uses.

- DDC should be a separate parcel in the Preserve.
- Requirements include: amend the General Plan, Preserve Ordinance and Zoning Ordinance.
- DRB Approval Process.

COUNCIL DIRECTED WORK PROGRAM

1. Staff team and leadership to implement this work program and keep the DDC project on track and moving forward has been designated and meeting regularly.
2. Staff to initiate a process to prepare an RFQ/RFP and develop the review process for future selection of a 501 (c) (3) operator solely dedicated to operating the DDC (RFQ has been posted - responses due 11/28/12).
3. Continue to evaluate the funding potential and timing for project start-up with assistance from this DDC Phase III Committee until the operator is selected(on-going).
4. Continue to provide funding from the bed tax for an amount up to \$60,000 to \$150,000 per year for the next two-three years for support of the DDC project.





Existing Gateway Site & Proposed DDC Location

Swaback Partners | City of Scottsdale: Desert Discovery Center DDC Phase III

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Existing Gateway

Swaback Partners | City of Scottsdale: Desert Discovery Center

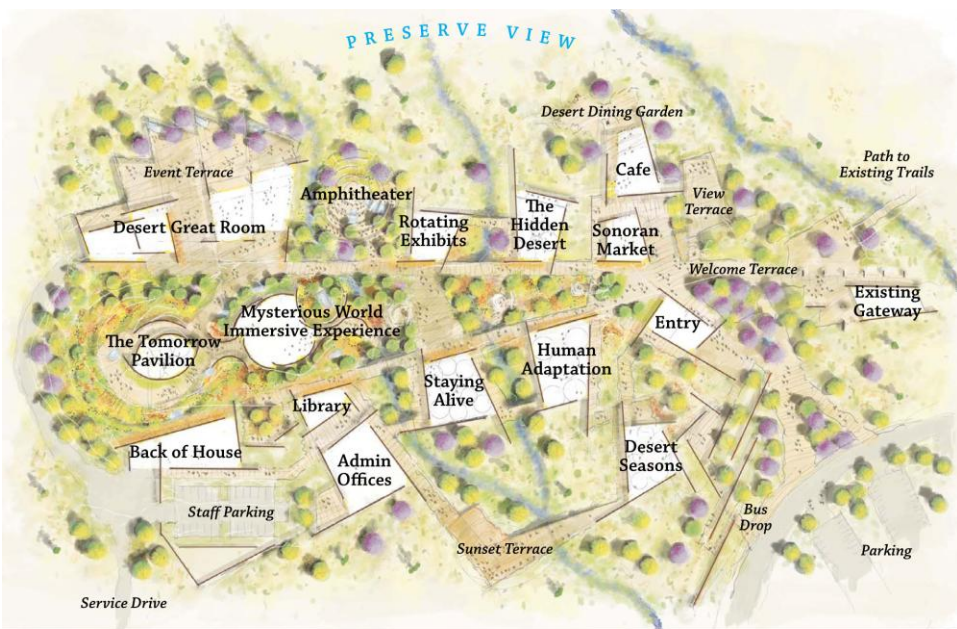


DDC Evolving Conceptual Plan

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DDC Phase III

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DDC Phase III

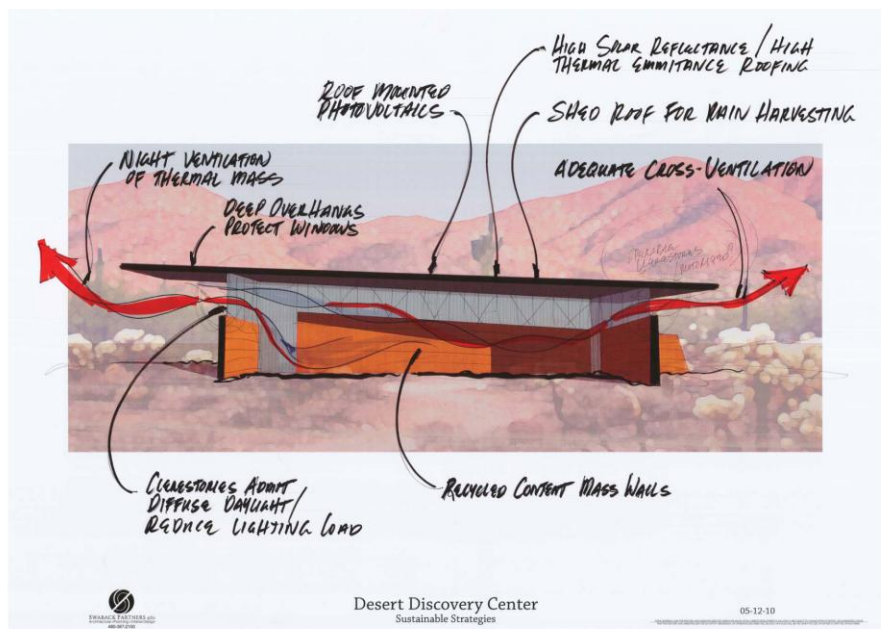
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"The Hidden Desert" Exhibit Pavilion

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DDC Emerging Sustainability Strategy

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Phase II Feasibility Study - Area Summary

Site Size

- Desert Discovery Center: 8-9 Acres
- New Parking: 4-5 Acres
- Existing Parking: 4-5 Acres

Facility Size

- Net: 61,610 SF
- Gross: 73,932 SF

Parking

- Existing Gateway Parking Req'd: 341-500 Spaces *
- DDC Parking Req'd: 428 Spaces
- Grand Total: 769-918 Spaces**

* Onsite parking numbers will be further analyzed for possible shared parking and off-site alternative provisions

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Phase II Feasibility Study - Cost Summary

Capital Cost

· Buildings and Site:	\$35.1 M
· Exhibits:	\$13.1 M
· Permits, Design, Engineering:	\$4.0 M
· City Project Management & Public Art:	\$3.9 M
· Furniture, Fixtures, Equipment:	\$1.0 M
· Contingency (10%):	\$4.8 M
· Startup Budget:	\$5.8 M
· <u>Operating Reserves/Endowment:</u>	<u>\$6.3 M</u>
· Total Capital Cost:	\$74.0 M

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Questions?

